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**STATE OF MISSISSIPPI
SECRETARY OF STATE
ERIC CLARK**

TELEPHONE (601) 359-1350
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July 16, 2007

LETTER OF CAUTION

Mr. Bernard Breton
Chief Compliance Officer
Multi-Financial Securities Corporation
1290 Broadway
Denver, Colorado 80203

Mr. William Clayton Conerly
579 Boardwalk
Ridgeland, Mississippi 39157

Re: Multi-Financial Securities Corporation – CRD No. 10299
William Clayton Conerly – CRD No. 2262031
File No. S-05-0460

Dear Mr. Breton and Mr. Conerly:

The Business Regulation and Enforcement Division of the Office of the Secretary of State of the State of Mississippi (hereinafter "Division"), on behalf of the Secretary of State, having the power to administer and to enforce the provisions of the Mississippi Securities Act, Miss. Code Ann. §75-71-101 et seq. hereby issues this Letter of Caution to Multi-Financial Securities Corporation (hereinafter "Multi-Financial") and William Clayton Conerly (hereinafter "Mr. Conerly").

Introduction

1. IFG Network Securities, Inc. was a broker dealer and investment advisor firm which was registered with the Division pursuant to the terms of the Act.
2. William Clayton Conerly, CRD No. 2262031, is a broker-dealer agent and investment adviser representative.

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3. Multi-Financial is a broker-dealer and investment firm which at all relevant times was registered with the Division pursuant to the terms of the Act.
4. In or around January, 2004, Multi-Financial acquired IFG Network Securities, Inc.
5. Mr. Conerly was a broker dealer agent and investment advisor representative of IFG Network Securities, Inc. from May, 1995 to January, 2004. Mr. Conerly subsequently became a broker dealer agent and investment advisor representative of Multi-Financial after the acquisition of IFG by Multi-Financial.
6. After receiving a complaint from Janice Kervin ("Ms. Kervin"), Mr. Conerly's father's widow, the Division conducted an investigation of Multi-Financial and its agent/representative, Mr. Conerly.
7. During the course of the investigation, it was discovered that Mr. Conerly was not registered as an investment advisor representative ("IAR") due to a misinterpretation of Miss. Code Ann. §75-71-303(a)(2) by IFG Network Securities, Inc.
8. On August 16, 2005, while a registered representative of Multi-Financial, it is alleged that Mr. Conerly borrowed \$1,000.00 via a promissory note from the James B. Conerly Trust.
9. IFG Network Securities, Inc.'s failure to properly interpret Miss. Code Ann. §75-71-303(a)(2) revealed a lack of internal policies and procedures to ensure compliance with the Mississippi Securities Act and rules. Multi-Financial was the successor in interest of IFG Network Securities, Inc.
10. Multi-Financial and Mr. Conerly elect to waive any right to a hearing and appeal under Miss. Code Ann. §75-71-331 and §75-71-601 with the respect to this Letter of Caution.
11. Multi-Financial and Mr. Conerly admit the jurisdiction of the Secretary of State of Mississippi as to all matters herein.

Conclusions

12. The Secretary of State has jurisdiction over this matter pursuant to Miss. Code Ann. §75-71-107.
13. Multi-Financial is required pursuant to Miss. Code Ann. §75-71-321(b) to reasonably supervise its agents.

14. Multi-Financial is to place Mr. Conerly under heightened supervision until July 1, 2008.

On the basis on the above, the Division hereby issues this Letter of Caution to Multi-Financial and cautions Multi-Financial to reasonably supervise its agents pursuant to Miss. Code. Ann. § 75-71-321(b).


The Division also issues this Letter of Caution to Mr. Conerly and cautions Mr. Conerly to comply with the standards of conduct for investment adviser representatives pursuant to Mississippi Securities Act Rules 523 and 623.

Requirements and Agreements

The Division hereby requires and Multi-Financial and Mr. Conerly hereby agree to:

15. Reimburse the Division for its cost incurred in performing the examination in the amount of Nine Thousand Nine Hundred Dollars (\$9,900.00) within fifteen (15) days of the receipt of this Letter of Caution.
16. The Division and the Secretary of State hereby deem Ms. Kervin's complaint closed and satisfied by this Letter of Caution. The allegations contained in paragraphs six (6), seven (7), eight (8), and nine (9) have been satisfied by this Letter of Caution. Neither the Division nor the Secretary of State will reopen or make further specific findings of wrongdoing against Mr. Conerly or Multi-Financial regarding these allegations.
17. Multi-Financial will comply with the Mississippi Securities Act and Rules promulgated thereunder.
18. Mr. Conerly will comply with the Mississippi Securities Act and Rules promulgated thereunder.

ERIC CLARK
Secretary of State

BY: 
PATRICIA MELVIN
Senior Attorney
Business Regulation and Enforcement

MUTLI-FINANCIAL SECURITIES CORPORATION

BY: *Benjamin A. Buter*

TITLE: *Chief Compliance Officer*

DATE: *7-18-2007*

WILLIAM CLAYTON CONERLY

DATE: _____

Mickey B. Wright

MICKEY B. WRIGHT, COUNSEL
MULTI-FINANCIAL SERVICES CORPORATION and
WILLIAM CLAYTON CONERLY

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MULTI-FINANCIAL SECURITIES CORPORATION

BY: _____

TITLE: _____

DATE: _____

WILLIAM CLAYTON CONERLY

William Clayton Conerly

DATE: 7-18-07

MICKEY B. WRIGHT, COUNSEL
MULTI-FINANCIAL SERVICES CORPORATION and
WILLIAM CLAYTON CONERLY